

MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

December 2005

DATA SYSTEMS AND ANALYSIS

Maryland Trauma Physician Services Fund

Last month, staff issued two new Physician Information Bulletins (PIBs). Both PIBs related to technical issues pertaining to the filing. The first described MHCC's process for accepting electronic applications and the second described the physician identifiers that are needed on the applications. To date, MHCC has issued a total of 14 PIBs relating to the Maryland Trauma Physicians Fund (Fund).

The staff will hold training sessions on applying for uncompensated care from the Fund at Washington County Hospital and at Peninsula Regional Medical Center this month. Staff believes some trauma physicians practicing at Level II and III centers are hesitant to apply for funds because they believe they are not eligible for reimbursement, or that the application process is too complex. The training sessions are intended to identify those practices and to assist practices already receiving payments.

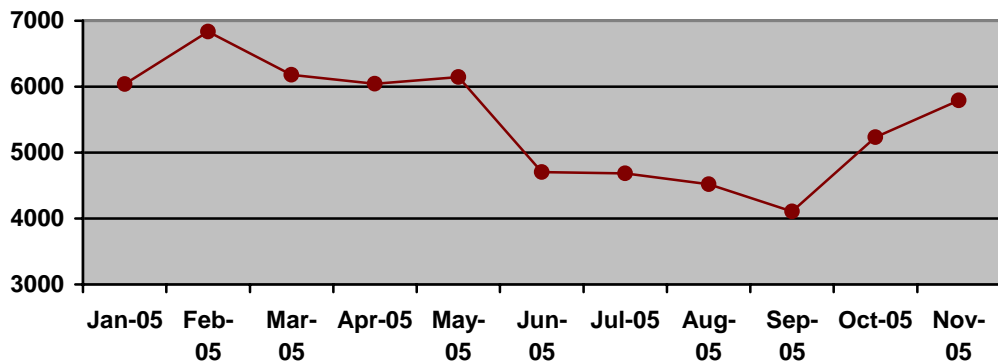
Staff met with Clifton Gunderson, LLC to start of the Audit Task Order Request for Proposal contract. Staff reviewed and approved the auditor's draft work plan for conducting the review of on-call, uncompensated care, and standby applications submitted to the Fund. Staff provided the auditor with copies of the uncompensated care applications and disbursement reports from the January 2005 application period. Clifton Gunderson, LLC will begin notifying physician practices in December that their uncompensated care application was selected for review.

Data Base and Software Development

Use of Consumer Sites Continued to Increase in November

The Commission's website had 11,943 visits during November. About 48 percent of the visits (5,792) were to the consumer quality and utilization sites for HMOs, hospitals, nursing homes, and ambulatory surgery centers. Total visits to the quality sites were up by nearly 500 visits from October. The hospital and nursing home site saw sizeable increases. Visits to the HMO quality site fell from the October level. Some increase in nursing home web site visits may be attributed to activities related to the long term care survey, which ended in November. MHCC will update the nursing home website with the new utilization data in December. The month-to-month trend in use of consumer sites is shown in Figure 1 (total= visits to HMO, hospital, assisting living, nursing home, and ambulatory surgery sites).

Figure 1 -- Use of MHCC Consumer Sites: HMO, Hospital, Nursing Home, Assisted Living, and Ambulatory Surgery



Web-based License Renewal Initiative

Over \$4.4 Million in Renewal Fees Collected at the MHCC-Developed Site

The license renewal cycle for Maryland physicians ended on December 1. Over 75 percent of licensed physicians renewed their license via the web site. The site collected \$4.4 million for the Board of Physicians. Figure 2 summarizes activity on the website.

Figure 2 - License Renewal Tracking Panel				
Tracking	Today	Yesterday	Total	%
No Records			11533	
Not Logged On			2867	25 %
Logged On and Working	0	0	182	2 %
Completed	0	0	8484	74 %
Financial	Today	Yesterday	Total	%
Total Fees Collected (Credit Card, Elect. Checks, Checks sent and 3rd party Checks)	0	0	\$4,372,979	
Credit Card	0 0	0 0	\$3,521,458 6866	81 %
Electronic Check	0 0	0 0	\$18,981 37	0 %
Mail Check	0 0	0 0	\$536,759 1044	12 %

Medical Care Data Base Notification to Payers

Staff identified payers required to submit professional claims and prescription drug data under COMAR 10.25.06 in 2005. Forty-seven payers had health care premiums over \$1 million in 2004. MHCC will send written notification to these payers advising them of the reporting requirements in January. Fourteen payers were eliminated from reporting because they do not

generate health care claims or because they sell types of insurance products that are not covered under the regulations. Table 1 lists the payers that will report on 2005 services.

Table 1 2006 MCDB PAYERS REPORTING IN JUNE 2007	
Aetna	Guardian Life Insurance Company of America
Aetna Life and Insurance Company	Kaiser Permanente
Aetna U.S. Healthcare, Inc.	Kaiser -Permanente of the Mid-Atlantic
Corporate Health Insurance Company	Kaiser Permanente Insurance Company
American Republic Insurance Company	New York Life
American Medical Security	Mega Life & Health Insurance Company
CareFirst	State Farm Mutual Automobile Insurance Co
CareFirst BlueChoice, Inc.	Transamerica Life Insurance Company
CareFirst of Maryland, Inc.	Trustmark Insurance Company
Group Hospitalization & Medical Services, Inc	Anthem - Unicare Life & Health Insurance Co
CIGNA	Union Labor Life Insurance Company
Cigna Healthcare Mid-Atlantic, Inc.	United Health Group
Connecticut General Life Insurance Company	Fidelity Insurance Company
Coventry Health Care of Delaware Inc	United Healthcare Insurance Company
Coventry Health Care of Delaware Inc	United Healthcare of the Mid-Atlantic, Inc.
First Health Life & Health Insurance Company	MAMSI Life and Health
Elder Health Maryland HMO, Inc.	MD-Individual Practice Association, Inc.
Fortis Insurance Company	Optimum Choice
Graphic Arts Benefit Corporation	Golden Rule
Great-West Life & Annuity Insurance Company	

Note: The companies in bold typeface are the parent corporations.

Software Development Board of Dentistry– Web-Based Renewal Initiatives

The MHCC has received a request for assistance in developing a license renewal web site for the Board of Dentistry (BOD). BOD staff hopes to have a site available by the next renewal cycle in the spring of 2006. MHCC staff is assessing the request in the context of existing support requirements and internal initiatives that will begin in the next six months. A consideration for MHCC will be whether BOD can identify a staff member that can provide on-going support for the application. Dentists pay \$25 to MHCC as part of the user fee assessment. Estimated develop time for the site is 1 FTE for one month.

Cost and Quality Analysis

Study on the Impact of Mail Order Pharmacies on Consumers and Retail Pharmacies

MHCC staff and the National Opinion Research Center at University of Chicago (NORC) have completed a study of mail order pharmacies, as required by SB 885, which was passed in the 2005 session of the Maryland General Assembly. The draft report is being submitted for comment to the Maryland Insurance Administration and the Board of Pharmacy.

Study of Hospital-Based Uncompensated Care

MHCC and HSCRC are required to report to the Maryland Legislature on the level of under-compensated and uncompensated care for hospital based physicians as part of HB 627. The staff expects to present this report to MHCC at the January meeting. As the report is due on January 1, 2006, the Commission will submit a letter informing the respective House and Senate Committees of the delay.

State Health Care Expenditures

Staff will release the 2004 State Health Care Expenditures Report in January. Staff expects to provide Commissioners with drafts of the report shortly before the Christmas holiday. As noted in November, estimates from the project show that total health care spending growth slowed in 2004 compared to 2003. Health care spending will total nearly \$30 billion in 2004. Private and public spending will show growth rates in the range of 8 percent.

This year, the report will present the outlook for health care spending. MHCC will present a spending outlook through 2006 using MEPS/HC data and a relatively straightforward forecasting methodology developed with the assistance of Mathematica Policy Research (MPR). Staff will present a Spotlight that examines the Maryland health care sector as a contributor to economic growth in the state. That document will be released in February.

EDI Programs and Payer Compliance

EDI Initiatives

New HIPAA Initiative to Begin

The EDI/HIPAA Workgroup (workgroup) will discuss insurance carrier implementation of the National Provider Identifier (NPI), which is part of the HIPAA Administration Simplification regulations, at a meeting on December 12. Staff requested carriers to present their strategies for NPI implementation. Workgroup members have indicated to MHCC staff that migration to the NPI will pose significant challenges to many providers. Staff believes MHCC can assist practices in planning for the migration to NPI, the use of which will be mandatory in May of 2007.

The workgroup will also discuss the federal proposed rule for standards for electronic claims attachments. Adoption of electronic attachments is one cost-saving innovation offered through the HIPAA initiative. Most practices could benefit from using electronic attachments, but awareness is currently low. Staff plans to develop resource tools for NPI implementation and claim attachments awareness later in 2006.

Staff identified approximately 47 payers for notification of the reporting requirements under COMAR 10.25.09, *Requirements for Payers to Designate Electronic Health Networks*. Payers required to complete an EDI Progress Report will receive written notification prior to the end of the year. Staff will include a file layout and data dictionary containing some minor revisions for the upcoming reporting period with the notification letter.

Staff continued to provide EDI consultative support to the Highmark Transition Consulting Team (transition team). Each month the Maryland Hospital Association hosts a meeting of the transition team. The purpose of the meetings is to discuss items that are significant to the transition of Medicare Part A Intermediary responsibilities from CareFirst to Highmark. The transition is expected to be finalized in April 2006.

EHN Certification

Last month, staff completed the recertification review of McKesson HBOC and NDC Health. Staff uses EHNAC's (Electronic Health Network Accreditation Commission) site review report and the EHN's self-assessment material to complete its review process. Staff expects to present these networks to the Commission for approval at the January 2006 Commission meeting. Staff has initiated preliminary discussion with NaviMedix, a national network based in Massachusetts that is exploring the possibility of entering the Maryland market. Staff continued to review input from stakeholders on its proposed modifications to COMAR 10.25.07, *Electronic Health Network Certification* and expects to complete its recommendations in early 2006.

E-Scripting Initiative

Last month staff initiated plan development for notifying e-script networks of the requirements for certification in Maryland. Payers doing business in the state that accept transactions from e-script networks are required to use only EHNAC and MHCC certified networks. Staff's initial review identified approximately seven networks that will need to be certified. Over the next few months, staff plans to work with payers to determine if other e-scripting networks are operating in the state.

Technology Initiatives

During the month, staff worked with the Department of Mental Health and Hygiene (DHMH) Office of Executive Nominations and the Governor's Appointment Office to finalize nominees to serve on the SB 251 *Task Force to Study Electronic Health Records* (task force). The Governor's Appointment Office expects to issue appointment letters in December. The task force is required to study electronic health records and the current and potential expansion of electronic health record utilization in the state. Staff also expects the task force to function broadly in an advisory role in the development of a Maryland RHIO (Regional Health Information Organization).

PERFORMANCE AND BENEFITS

Benefits and Analysis

Small Group Market

Comprehensive Standard Health Benefit Plan (CSHBP)

At the November meeting, the Commission approved several proposed changes to the CSHBP. The Commission will vote on the draft regulations at the December meeting so that any changes to the CSHBP can be implemented effective July 1, 2006.

Annual Mandated Health Insurance Services Evaluation

Mercer is in the process of drafting this year's annual review of proposed mandates (as required under §15-1501 of the Insurance Article). This year's analysis contains a review of three proposed mandates. In January, (via conference call), the Commission will be asked to approve the mandate report for submission to the Legislature.

Facility Quality and Performance

Web Site Guides:

Hospital Performance

Division staff worked closely with Delmarva staff on reviewing and editing changes in multiple file documents that will be available on the re-designed Hospital Guide website. These documents

constitute the narrative components that introduce and describe the various sections of the Guide to the three designated primary audiences (patients, physicians, and hospital leaders). Users of the Guide will be able to navigate its contents by selecting any of the designated “portals” designed for each specific audience. Delmarva staff also continues to access, validate, and compile data provided by the hospitals and HSCRC that will be available on the new site. Additional changes to the scope, content, ease of use, and relevance of the web site are in process (especially in the areas of hospital infections, patient safety and patient satisfaction) as the site continues to evolve based upon the feedback of various constituencies.

The most recent content addition has been the presentation of obstetric (OB) data, which became publicly accessible in May 2005. To supplement the OB information available on the Guide, division staff initiated a small pilot project to obtain feedback on the utility and value of the OB information currently presented on the Guide. A survey tool and plan was developed and implemented in November in concert with some of the members of the Steering Committee, staff from Delmarva, and other OB experts from the Department of Health and Mental Hygiene (DHMH). The results of the survey will be compiled by staff and shared with Steering Committee members for recommendations to MHCC regarding ‘next step’ strategies. The pilot is scheduled to be completed by February of 2006.

A series of meetings are being scheduled for January and February of 2006. A tentative date of February 17th has been selected for an MHCC Press Conference to unveil the re-designed site. In preparation for the unveiling, staff is also collaborating with the MHA to schedule an advanced viewing of the new Guide. This preview is slated as a courtesy to the various hospitals who have participated in the design and data content of the Guide. It will also allow the hospitals to insure that the data and information that has been compiled and updated for their respective institutions is correct. Division staff are also in the process of scheduling a meeting of the Steering Committee for either late in December or early in January, depending upon the availability of members.

Nursing Home Performance

With the cooperation of Maryland’s nursing homes, key resident information was submitted to MHCC’s contractor (Market Decisions) in August of 2005. As a result, a family satisfaction survey tool, which was recently finalized, was mailed to the designated representative of each resident’s family for completion. An initial mailing of approximately 20,000 was conducted in September. More than 8,700 surveys were returned and classified as acceptable for analysis. A subsequent mailing of 12,000 surveys (to first mailing non-responders) was conducted in late October.

Division staff consulted with the contractor representatives in November to review the status of the family satisfaction survey process and discuss templates, content, and format expectations of subsequent reports due to MHCC. Draft performance reports (both individual facilities and statewide aggregate) are due to MHCC by mid December. The final reports are scheduled to be available from the contractor in February 2006. The contractor is also scheduled to conduct second training sessions in February with representatives from the nursing homes in Maryland to discuss the results of the reports.

Contractor Performance Monitoring

Division staff continue to communicate with representatives of the two current contractors (Delmarva Foundation and Market Decisions). Bi-weekly conference calls are conducted with Delmarva Foundation staff to monitor and guide the re-design and enhancement activities of the Hospital Guide and plan marketing and promotional activities associated with the public release of the re-designed site, which is slated for January, as mentioned above. Staff also worked closely

with the staff from Market Decisions to monitor and track nursing home survey related questions and concerns, as well as facility complaints from respondents. Follow-up of reported complaints will be coordinated with the Office of Health Care Quality staff.

Special Projects

The Division of Special Projects focused on the design of the Performance and Benefits Internal Self-Evaluation and Revalidation Initiative. This effort consists of a comprehensive analysis of Performance and Benefits public reports to revalidate the purpose and utility of each, document all content areas and processes, map processes used to produce each product, identify resources needed, and determine future directions. Initial review of statutory mandates, delineation of content, collection of cost information, and contract review has begun. An important component to this process is the input of focus groups composed of both users and non-users of the guides to assess utility and formats for dissemination to continually improve our ability to report meaningful information.

Division staff also collected and compiled the information needed to complete the final report on “*Study of the Affordability of Health Insurance in Maryland*” due to the legislature in January 2006. This report will be presented for the approval of the Commission at the December meeting.

HMO Quality and Performance

Distribution of 2005 HMO Publications

Cumulative distribution: Publications released 10/6/05	10/6/05—11/30/05	
	Paper	Web-based
Measuring the Quality of Maryland HMOs and POS Plans: 2005 Consumer Guide (25,000 printed)	17,176	Visitor sessions = 458
2005 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland (600 printed)	510	Visitor sessions = 280

**8th Annual Policy Issues Report (2004 Report Series) –
Released January 2005; distribution continues until January 2006**

Maryland Commercial HMOs & POS Plans: Policy Issues (900 printed)	609	Visitor Sessions: 704
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Distribution of Publications

Distribution experienced an expected slowdown during November as mailings for fall open enrollment ended in October. The number of copies sent to libraries, businesses, plans, and consumers is about equal to the total distribution at this time last year. Distribution will spike again in January when public libraries replenish their supply of *Guides* and in the spring when

businesses, and especially public and private schools on a June 30th fiscal year, hold their open enrollments.

In the coming months, HMO Division staff will begin investigating the creation and distribution of the *Guide* in a CD version. It is generally accepted that this is an easy, if not economic, means of distributing information on a large scale. At this point, no other state has been identified that routinely uses this media for public reporting quality information.

HEDIS Audit Activities and Consumer Assessment of Health Plan Study (CAHPS Survey)

Improvements have been made in the audit of plans' HEDIS data over the last three years and the 2006 review will see a continuation of improvements. Maryland has always been a leader in this regard as evidenced by the fact that we were the first state to publish independently audited HEDIS data. Although the audit of plans has always been in accordance with standards established by the NCQA, the HMO Quality staff has identified areas of the audit that could be improved upon in order to lend greater assurance to the accuracy and completeness of reported data. For example, the 2006 audit will feature a much more structured and consistent review of plans' transaction files and verification of primary sources of HEDIS-related data. These are validation steps introduced by staff during the most recent procurement to obtain a higher level of assurance from this evaluation process. Staff has also worked with the audit vendor to improve the template used to communicate regular progress reports.

HealthcareData.com (HDC), the HEDIS auditor, prepared the 2006 audit calendar and key date documents. All key dates, which include the time frame for submission of CAHPS code and sample frames, have been coordinated with the CAHPS survey vendor, The Myers Group (TMG). HMO Quality staff reviewed and approved these documents in November.

The annual "kick-off" meeting for the 2006 audit was held in the Commission's offices on Monday, December 5th. Attendees included representatives of HDC, TMG, six of the seven plans that are required to report in 2006, and staff from Performance and Benefits Division. HDC distributed an extensive "information packet" that plans will use to guide them, as well as to provide them with a smoother audit process that is consistent across plans. The information emphasized new and revised measures and procedures and included the timeline for audit and data submission activities. TMG made a presentation that included the identification of the updates to the 2006 CAHPS survey document, an overview of the survey methodology that will be used, and the survey administration timeline. After incorporating staff revisions, TMG produced and distributed its 2006 CAHPS Guidebook prior to this meeting.

Each summer, the results of the CAHPS survey are published for participating plans in a final report prepared by the survey vendor. Specifically, the vendor creates separate reports for the MHCC and each plan. TMG became a new vendor in 2005, giving plans and MHCC the first opportunity to use this vendor's version of the report. Division staff discussed possible revisions to improve the utility of this document with plan representatives during the kick-off meeting. Following the meeting, HMO Quality staff requested further commentary and suggestions from plans for these reports; in particular, whether plans would be willing to wait longer to receive reports. This would allow benchmarking and analysis using the most current data from NCQA's database. The plans' representatives were asked to discuss this possibility with plan management and to reply to HMO Quality staff.

Report Development—2005 Report Series

As reported last month, development of the last report is underway and great strides have been made since the November report on this topic. Content will include, in addition to the customary

performance results, the topic areas of health care information technology and pay-for-performance quality incentive programs. The report is on track for release next month.

Special Project: Inventory of Quality Reporting Initiatives, CON Programs, and Health Care Databases

The HMO Quality Staff has completed its first reviewable draft of this in-depth inventory. Other Divisions within the Commission have received the report for review, edits, and feedback. Commissioners will receive the reviewed and updated report in a future mailing. Staff will present findings once the document becomes final.

Proposed HMO Performance Reporting Requirements 2006 & 2007

Commissioners received HMO Quality staff recommendations for performance reporting requirements for 2006—2007. Those recommendations were posted on the MHCC website. The Commission will receive public comment on the proposed requirements until December 13. Division staff will summarize the comment received and report to the Commission at its December meeting.

HEALTH RESOURCES

Certificate of Need

Division staff issued seven determinations of non-coverage by Certificate of Need (CON) review during November.

Johns Hopkins Bayview Medical (Baltimore City) received a determination of non-coverage by CON review for a capital expenditure related to the relocation of the Crossroads Psychiatric Rehabilitation Program from its present off-site location to a hospital-based location at the Baltimore City campus. The project's capital cost of \$3,000,000 did not require CON review because Bayview committed to not seek a rate increase in excess of \$1.5 million for the project during its period of debt service.

HomeCall Hospice Services received a determination of non-coverage for its acquisition and transfer of ownership from MidAtlantic Medical Services, LLC to Evercare Hospice, Inc.

Determinations of non-coverage by CON review were also issued to Capital Area Surgery Center, LLC of Charles County, to establish an ambulatory surgery center with one non sterile procedure room and three treatment rooms in Waldorf; to Surgery Center of Potomac (Montgomery County) for the addition of a second procedure room to an existing facility for a total of one operating room and two procedure rooms; and to the Center for Universal Surgery, P.C. (Frederick County) to establish a center with one non-sterile procedure room in Frederick.

The following facilities received determinations of non-coverage for requests to change licensed bed capacity: Sunbridge Care and Rehabilitation Center of Elkton in Cecil County for the temporary delicensure of 14 comprehensive care beds, and Northwest Health and Rehabilitation Center in the City of Baltimore, for an extension of time of an additional month for its temporarily delicensed beds in to complete the facility's renovation project.

To implement recommendations from the CON Task Force, proposed changes to COMAR 10.24.01 Certificate of Need for Health Care Facilities will be considered at the December 15, 2005 meeting.

Acute and Ambulatory Care Services

Holy Cross Hospital submits monthly reports to the Commission on the status of its construction project pursuant to the March 2004 approval of the modification to the hospital's Certificate of Need. The purpose of these reports is to advise the Commission about any potential changes to the terms of the modified CON, including changes in physical plant design, construction schedule, capital costs and financing mechanisms. The hospital's December 2005 update report states that the project has been completed. The hospital will submit two additional status reports to close out the financial accounts for this project. The financial accounts reflected in this status report indicate that capital costs committed for the project do not exceed the capital cost approved by the Commission in March of 2004.

Long Term Care and Mental Health Services

In an effort to update regulations, Staff is beginning the process of repealing the Development of Subacute Care Units, COMAR 10.24.05. This regulation was adopted in March 1995 in order to create a "subacute care bed pool" from which a limited number of nursing home beds (licensed as comprehensive care facility or CCF beds) would be made available for acute care hospitals to develop hospital-based skilled nursing facilities. A major focus of these regulations was to undertake a comprehensive approach to examining the various types of subacute care providers. The regulation (COMAR 10.24.05) permits a sunset when three conditions are met:

1. A final report has been issued by the Commission in accordance with Regulation .08 of this chapter;
2. Criteria and standards to guide future development of subacute care found in Regulations .05 and .06 of this chapter, with revisions as needed, have been incorporated into COMAR 10.24.08; and
3. Appropriate provision for collection of data needed by the Commission on an ongoing basis has been made under the auspices of COMAR 10.24.02, 10.24.03, or other appropriate regulations.

A final report has been issued by the Commission, *Emerging Trends in Selected Post-Acute Care Settings in Maryland* was released in July 2003. Criteria and standards regarding the development of short-stay, hospital-based skilled nursing facilities have been incorporated into COMAR 10.24.08.04 and 10.24.08.05. Data collection will continue using the Hospital Discharge Abstract (COMAR 10.24.02), the Maryland Long Term Care Survey (COMAR 10.24.03), and the federal minimum data set (MDS).

Moreover, since the adoption of these regulations in 1995, there have been significant changes in the health care delivery and financing system. Most specifically, the adoption of Medicare's Prospective Payment System (PPS) for nursing homes (including hospital-based skilled nursing units) in 1998, as well as for long term care hospitals (licensed as chronic hospitals in Maryland) in 2000.

For these reasons, action will be taken to repeal this regulation at the December 15, 2005 Commission meeting.

Division staff provided data regarding long term care regulations governing nursing homes to representatives of the Legislative Assembly of Ontario in Toronto, Canada, at their request.

Work is nearing completion on the report entitled *Nursing Home Occupancy Rates and Utilization by Payment Source: Maryland Fiscal Year 2003*. This report provides an overview of statewide, regional, and facility-specific nursing home occupancy in fiscal year 2003. It also includes data on utilization by payment source for all nursing homes in the State. In addition, there is an analysis of trends in occupancy and utilization by payment source for the time period of 1996-2003. Following release at the December Commission meeting, this report will be posted on the Commission website. Highlights of this report will also be distributed at the December Commission meeting.

Specialized Health Care Services

Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT) hospitals in the Metropolitan Baltimore Regional Service Area must submit primary percutaneous coronary intervention (PCI) waiver applications to the Commission no later than January 11, 2006. As part of its review of the applications, the Commission has contracted with the Atlantic Cardiovascular Patient Outcomes Research Team for an analysis of C-PORT primary angioplasty data for 2003 through 2005. Under a contract with the Commission, the C-PORT staff will also collect and validate primary PCI data from the C-PORT hospitals in Maryland during the first six months of 2006. The Commission solicited bids to perform these services through the small procurement process.